

ONTARIO FINANCES

Ministry of Finance

1993-94 Third Quarter

Quarterly Update
December 31, 1993

- BUDGETARY REQUIREMENTS** • The Budgetary Requirements, at \$9,542 million, are up \$383 million from Budget Plan and up \$6 million from second quarter.

9 months actual results and 3 months projected	Fiscal Summary (\$ Millions)	1993-94			Changes from Second Quarter
		Budget Plan	Current Outlook	In-Year Change	
	Revenue	43,985	43,332	(653)	227
	Operating Expenditure:				
	Programs	42,898	42,943	45	243
	Public Debt Interest	7,150	7,150	—	—
	Total Operating Expenditure	50,048	50,093	45	243
	Operating Deficit	6,063	6,761	698	16
	Capital Expenditure	3,096	2,781	(315)	(10)
	Budgetary Requirements	9,159	9,542	383	6

- REVENUE** • Estimated revenue for 1993-94 is \$43,332 million, a net decrease of \$653 million from the Budget Plan but \$227 million more than reported in the second quarter.

- The increase this quarter is due to the receipt of \$227 million from the federal government as final settlement of Ontario's 1990-91 Fiscal Stabilization Claim.

- OPERATING EXPENDITURE** • The expenditure forecast of \$50,093 million is up \$45 million from the Budget Plan. Increases in spending this quarter are primarily due to delays in implementing ECP initiatives, social assistance caseload increases and funding for long-term care. These increases will be offset from savings related to the expenditure freeze.

- CAPITAL ACCOUNT** • Capital funding requirements at \$2,781 million are down a net \$315 million from Budget Plan and \$10 million from second quarter outlook.

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Ce rapport est disponible en français.

Table 1

¹ Net Of Ontario Tax Credits.¹ Net Of Ontario Tax Credits.

Table 3

- Underspending is the result of project delays, lower contract prices and funds for cost shared projects not being taken up by transfer partners.
- Savings of \$10 million were realized by the Ministry of Environment and Energy in the 3Rs capital allocation.

Performance

REVENUE

The current outlook for revenue is \$43,332 million, a net decrease of \$653 million from the Budget Plan but \$227 million higher than the outlook reported in the second quarter Ontario Finances. The changes reported this quarter are:

- The outlook for Tobacco Tax revenue has been reduced by \$40 million, reflecting weaker-than-expected receipts during the third quarter. This is attributed to the ongoing smuggling problem.
- Canada Assistance Plan payments from the federal government are expected to be \$40 million higher due to reimbursements for claims in respect of prior years.
- Ontario received \$227 million from the federal government as final settlement of the 1990-91 Fiscal Stabilization Claim.

OPERATING EXPENDITURE The current operating expenditure forecast at \$50,093 million is up from the Budget Plan by \$45 million and second quarter results by \$243 million.

The increase in the third quarter is mainly due to expenditure changes in the Ministries of Community and Social Services, Health, and Environment and Energy as follows:

- The Ministry of Community and Social Services received an additional \$125 million for social assistance, due to caseload growth and delays in implementation of a number of ECP initiatives.
- The Ministry of Health received an additional \$108 million, due to the delay in passage of Bill 81, and the decision not to pursue cost sharing for the ODB plan (\$80 million), and to the provision of an additional \$28 million to long-term care facilities.
- The Ministry of Environment and Energy received an additional \$10 million for Municipal Recycling Support for the Blue Box Program.
- The Contingency Fund transferred \$52 million to various ministries to provide funding for initiatives including payments under the Pay Equity Downpayment Program in the Ministries of Community and Social Services (\$29 million) and Health (\$8 million). The Ministry of Consumer and Commercial Relations received \$4 million to establish the Gaming Control Commission and the Ministry of the Attorney General received \$3 million for the Office of the Public Trustee and the Commission on Systemic Racism. The Ministry of Municipal Affairs received \$2 million for the Waterfront Regeneration Trust Program.
- Additional net savings, mainly due to delays in implementing programs such as **jobsOntario** Child Care, were identified and applied against the Savings and Constraints target (\$53 million).

Table 2

² Includes Office of the Lieutenant Governor, Office of the Premier and Cabinet Office.

Financing

Table 4

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		1993-94		
		Budget Plan	Current Outlook	In-Year Change
		(\$Millions)		
REQUIREMENTS	Operating Deficit	6,063	6,761	698
	Capital Deficit	<u>3,096</u>	<u>2,781</u>	<u>(315)</u>
	Budgetary Requirements	9,159	9,542	383
FINANCING	Debt Issues	11,093	12,800	1,707
	Retirements:			
	Canada Pension Plan	(607)	(607)	-
	Ontario Teachers' Pension Plan	(252)	(252)	-
	Public Service Pension Plan	(106)	(106)	-
	Public	-	(4)	(4)
	Other	<u>(140)</u>	<u>(140)</u>	<u>-</u>
		(1,105)	(1,109)	(4)
	Net Debt Issues	9,988	11,691	1,703
	Province of Ontario Savings Office and Other Liabilities	<u>36</u>	<u>36</u>	<u>-</u>
	Net Financing	10,024	11,727	1,703
LOANS	Net Loan Repayments (Issues)	(1,115)	(1,096)	19
CASH	Decrease (Increase) In Cash	<u>250</u>	<u>(1,089)</u>	<u>(1,339)</u>
ACCUMULATED DEFICIT	Increase In Accumulated Deficit	9,159	9,542	383

- Bonds issued from the beginning of this fiscal year to December 31, 1993 totalled \$8,695 million.
- The Province continues to implement its policy to pre-borrow ahead of its financing requirements in order to maintain maximum financing flexibility.

